



WOODSTOCK

THE OFFICIAL NEWSLETTER OF THE PWPA

For the Promotion of Sustainable Forest & Wood Industry

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Operations in Residual Forests Temporarily Banned **President Aquino III Issues Executive Order No. 23**

Last February 3, 2011, President Benigno Aquino III announced the approval and signing of Executive Order No. 23, otherwise known as *Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-Illegal Logging Task Force*. This was during the Maynilad Water Treatment Plant inauguration at Putatan, Muntinlupa City.

Through the EO, Aquino directed the DENR to stop granting

logging permits and renewing licenses to log in the natural forests.

All sawmills, veneer plants, and other wood processing plants that cannot show proof of raw materials to sustain their operations in the next five years were also to be shut down.

As many of our countrymen depend on wood as their sole source of livelihood, Aquino instructed the Department of Social Welfare and Development to include upland farmers in the National Greening Program, and to prioritize them to

receive aid from the Conditional Cash Transfer Program. This was aside from allotting and providing them with quality seedlings that they can plant and be a source of income.



President Noy Noynoy

(Continued on p. 2 col. 1)

Sustainable Forest Management is the Answer **PWPA Holds Press Conference**

Amidst reports that President Benigno Aquino III will soon announce a total log ban, the Philippine Wood Producers Association (PWPA) invited the press to a conference last January 20, 2011, at Mario's Restaurant, Tomas Morato, Quezon City.

PWPA President Antonio Olizon explained to media members from print, radio and TV that the PWPA aimed to clarify its position on the impending executive order on logging ban/moratorium.

PWPA spokesperson and VP-Director Evaristo Narvaez, Jr. said that the ban/moratorium will affect two million Filipinos whose jobs depend

solely on the forest and on the manufacturing operations of the legitimate wood industry; Php30 B in investments in the legitimate wood industry; the prices of wood products that will have to be imported; and, the US\$1 Bn worth of export market.

He added that the ban/moratorium will actually penalize the responsible tenure holders who have continuously protected, conserved and sustainably managed their forests for



The PWPA Board seats as a panel ready to answer questions from the media.

more than 50 years. Inadvertently, it will favor illegal logging activities.

(Continued on p.4, col. 1)

Mea Culpa: The Editorial Board apologizes for the delay in the release of our bi-monthly newsletter. To make it more timely and relevant to our members, changes will be instituted in the next issue, beginning with the new Woodstock Editorial Board to be composed of Regino M. Serafico, Maila R. Vasquez and Victoria A. Crisostomo.

PWPA Meets Executive Secretary Ochoa

Philippine Wood Producers Association (PWPA) Chairman Fernando Lu and President Antonio Olizon, together with other board members, met with Executive Secretary Paquito Ochoa at his office in Malacanang last January 31, 2011. The visit was to request ES Ochoa's assistance in delaying the issuance of an executive order (EO) on logging ban. He was informed that further study on the effects and impacts of log bans was still being undertaken by the Association.

PWPA presented its position on the logging ban, its impact on the legitimate logging industry and its workers, the economy, and especially on the forests. Results of the Food and Agriculture Organization (FAO) and the UPLB CFNR studies that indicated there is no direct correlation between flooding and forest depletion were also presented. The same studies showed forests became more susceptible to unscrupulous elements when a total log ban was in place.

President Olizon emphasized two significant points: That the total log ban will not curb illegal logging because illegal loggers do not follow

rules; and it will penalize only the legitimate players because they follow the regulations lest government cancel their licenses.

Director Aristeo Puyat noted that the areas still with good forest cover are those under the care of legitimate players who have been operating for more than 50 years. He said once these players leave their areas of operation, these become open access that usually end in a "tragedy of commons", meaning use of the forest becomes available to everyone, but no one is responsible for its destruction.

To better appreciate how legitimate players manage their areas and also observe how sustainable forest management practices work, Director Victor Consunji invited ES Ochoa together with President Aquino to visit PATECO, SIRAWAI or SUDECOR.

Other points raised in the meeting were the heavy regulation of the wood industry by the DENR, as PWPA members are closely supervised from timber inventory to the shipment of products; and that PWPA condemned illegal logging and was willing to join forces with the government to stop it.

ES Ochoa said he understood the industry's concern and compared it with that of a gun ban where only those without licenses continue to carry guns. He also said it was very likely the President will sign the EO but still encouraged PWPA to present its position to the President.



Executive Secretary Ochoa

Immediately after this visit, PWPA held a Special General Membership meeting in Makati Sports Club to brief its members on the impending EO, the results of the visit with ES Ochoa and to call for support on activities that will be carried out in relation to the log ban/ moratorium, once it is passed.

(On February 1, 2011, President Aquino III signed Executive No. 23 otherwise known as *Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-Illegal Logging Task Force.*)

President Aquino III Issues...

(Continued from page 1)

The EO called for confiscated logs to be donated to the Department of Education for school room construction and the production of school tables and chairs. TESDA will teach the schools how to make the chairs and tables.

Aquino said he knew the move will be met with great opposition, but "it

is our obligation to care for our environment. We have to ensure the safety of our countrymen from the onslaughts of La Niña or El Niño, or any catastrophe." He added it is the government's obligation to protect the interests of the greater citizenry versus the interests of big businesses who caused the denudation of our forests.

No amount of executive orders

can address all these problems with finality, Aquino said, and the government cannot solve it alone, nor can one private company. He said the solution might be found in everyone's common efforts, such as: disposing garbage responsibly and planting trees regularly. He said cities and municipalities need to closely work together and the public and private sectors need to continually cooperate.

WoodStock

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PWPA Calls on DENR Secretary Paje



DENR Secretary Paje

In keeping with its tradition of paying a courtesy call to the new secretaries of DENR, the Philippine Wood Producers Association (PWPA) visited newly designated Department of Natural Resources Secretary Ramon J.P. Paje last January 24, 2011, at his office in Quezon City.

PWPA discussed with Secretary Paje the impending issuance of an executive order (EO) on logging ban/moratorium. PWPA cited previous occasions where such bans or moratoriums have been imposed yet these did not lead to increase in forest cover, curbing illegal logging, and preventing

flooding. It was also pointed out that with a ban/moratorium, the legitimate stakeholders are affected and penalized while the illegal loggers continue unabated with their activities.

In response, Secretary Paje said the President has already decided to issue the EO because of the effects of floods that he saw in CARAGA, Bicol and Leyte. The President correlated the flooding with the depletion of the forests due to tree harvesting, notwithstanding whether legal or illegal.

PWPA then requested the Secretary if he could assist the Association in getting an audience with the President to present its position on log bans/moratoriums, to inform him of the sustainable forest management (SFM) strategy that has worked with PWPA IFMA holders, and to offer PWPA's assistance in curbing illegal logging and in the efforts to increase the country's forest cover.

Secretary Paje suggested that it may help if PWPA would seek instead the assistance of the group of Foresters Ric Umali, Rodel Lasco and Rex Cruz to present the SFM strategy and to present how harvesting, when done sustainably, can mitigate climate change. He also said that the DENR will push for the National Greening Program in coordination with the Department of Education, Culture and Sports and the Commission on Higher Education. To implement the program students will be required to help plant trees.

The PWPA contingent who visited the new DENR Secretary included Chairman Fernando Lu, President Antonio Olizon, Directors Alfonso Keh, Jr., Robert Kua, Evaristo Narvaez, Jr., Alex Ong, Stanley Tan, and Ramon Uy, Executive Director Leonardo Angeles, Deputy Executive Director Maila Vasquez, FEA Jose Lorenzo, and LUZMATIM's Richmond Ng.

PWPA Talks to Industry Allies Re: EO 23

After the release of EO 23, PWPA engaged in a round of presentations to industry friends and allies as well as to relevant government units in order to disseminate and explain its position on the Total Logging Ban/ Moratorium.

On the other hand, the media (print, TV, radio and internet TV) covered PWPA's position on the issuance of EO 23, where PWPA clarified it is not against the EO but would just like the Implementing Rules and Regulations (IRRs) to be released quickly so that reviews of PWPA members with IFMAs and wood processing mills can be immediately conducted so that for those who pass the review the moratorium can be lifted soon.

PWPA sought the advice and support of former DENR Secretaries

Fulgencio S. Factoran, Jr., Angel C. Alcala and Elizea G. Gozun, the Society of Filipino Foresters, and the academe on the prudent course of action in relation to the EO.

PWPA briefed the Chamber of Furniture Industries of the Philippines, the Chamber of Mines of the Philippines, Foundation for Economic Freedom, Philippine Chamber of Commerce and Industries, Earth Day Network Philippines, and some congressmen on how IFMA holders operate in residual forests, practicing sustainable forest management (SFM) or the selective logging system.

It also met with the DENR and the Anti-Illegal Task Force (AILTF) and requested for clear guidelines on the implementation of EO 23 and to accelerate the reviews as some of the

PWPA members have started to lay-off their employees. As the first meeting was very brief and did not allow PWPA to completely present its profile and how it operates, the Association requested for another meeting with the AILTF. The new schedule is still forthcoming.

As part of its efforts to provide support and share expertise in the crafting of the Sustainable Forest Management Bill, the PWPA also continues to attend the Senate hearings on the Bill.

PWPA will continue to seek audience with other members of the cabinet and other groups to gather their support in the pursuit of lifting the logging moratorium.

PWPA Briefs Media

Since January, PWPA has already conducted one major press conference, five press briefings, has been featured in several TV interviews, and has participated in talk shows for both broadcast and internet TV. It has also provided information materials to columnists and the press about its stand and position on: EO 23, sustainable forest management, the bane of illegal logging and how the moratorium paradoxically benefits the illegal loggers and punishes the legitimate wood industry, among other issues.

Recent developments affecting the continued operations and very survival of the local wood industry has necessitated the need for PWPA to increase its visibility and emphasize its role as an authoritative source of information regarding issues and events affecting the industry. Thus, the Association has amplified its efforts to be more proactive in informing its many stakeholders and the general public of industry news and updates.

Among its communication strategies is to build a stronger and more sustained relationship with media, particularly print and news online.

These engagements resulted in news about the adverse effects of EO23 on legal logging, market supply and prices of wood products, and on the potential breach of security on IFMAs, the entry of allegedly smuggled competitive wood products (such as plywood) along with other timely stories.

With the positive results from its many media engagements, PWPA resolved to continue strengthening its relationship with this sector, and henceforth be more pro-active in its external communication initiatives.

PWPA Part of Technical Working Group on SFM

The Philippine Wood Producers Association (PWPA) participated in several technical working group (TWG) meetings on the Sustainable Forest Management (SFM) Bill being discussed by the current House of Congress.

In the Senate TWG, it expressed its position on the SFM bill and recommended the following:

- Land Classification (LC) maps be the basis of forestland
- Classification of unclassified lands of public domain be started

- Protection of and production forestlands be retained and,
- Congress to have a say on the imposition of logging bans on certain endangered forests and watersheds.

In the Lower House TWG, the PWPA has also expressed its position on the bill and supports the version submitted by Congressmen Rufus Rodriguez and Maximo Rodriguez. The bill has been the framework for the consolidation of other similar proposed bills. It was approved by the Lower House during the 14th Congress and was endorsed to the Senate.

At present, PWPA continues to participate in the TWG meetings that aim to refine the proposed Sustainable Forest Management Act (SFMA). Both Houses are accelerating the passage of the Bill this year to manifest support to the International Year of the Forest.

[Editor's Note: In both Houses, their respective consolidated joint reports are being refined, once finalized will be submitted to the Committee on Rules to be scheduled for the 2nd reading (period of debate and amendments) and the 3rd (period of approval) reading.]

PWPA Holds...

(Continued from page 1)

Narvaez, Jr. said most of the areas in the country that have good forest cover are those under the stewardship of PWPA members. Once left behind due to the ban, these will become open-access and vulnerable to illegal logging and informal settlers, as has happened to other concession areas cancelled in the past.

He noted plantations cannot supply all the wood requirements at this time, especially for products that

require the use of wood from natural residual forests, such as lumber, face and back of plywood, furniture, boats and other specialized products.

Chairman Lu reiterated that PWPA condemns illegal logging and has always supported the government's drive to curb it. He added that it wantonly destroys the forests of the country, tarnishes the good image of the legitimate wood industry and sabotages their businesses. He stressed that the movement of wood products by legitimate IFMA holders and wood

processors is already heavily regulated by the DENR.

President Olizon said PWPA has submitted its position paper to and is seeking an audience with the President. He also said that the Association has reiterated its pledge to continue working closely with the government in looking for effective solutions to protect the forests from illegal logging and to sustainably manage our forests. PWPA will also lead in the promotion of investments in the forestry sector.

Highlights of Executive Order No. 23

Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-Illegal Logging Task Force

Section 2. Moratorium on the Cutting and Harvesting of Timber in the Natural Forests

- 2.1 The DENR is prohibited from issuing logging contracts/agreements in all natural and residual forests, such as Integrated Forest Management Agreements (IFMA), Socialized Integrated Forest Management Agreements (SIFMA), Community-Based Forest Management Agreement (CBFMA) and other agreements/contracts with logging components in natural and residual forests;
- 2.2 The DENR is likewise prohibited from issuing/renewing tree cutting permits in all natural and residual forests nationwide, except for clearing of road right of way by the DPWH, site preparation for tree plantations, silvicultural treatment and similar activities, provided that all logs derived from the said cutting permits shall be turned over to the DENR for proper disposal. Tree cutting associated with cultural practices pursuant to the Indigenous Peoples Right Act (IPRA Law) may only be allowed subject to strict compliance with existing guidelines of the DENR;
- 2.3 The DENR shall review/evaluate all existing IFMAs, SIFMAs, CBFMAs and other forestry agreements/contracts and immediately terminate/cancel the agreements of those who have violated the terms and conditions of their contracts/agreements as well as existing forest laws, rules and regulations at least twice. Furthermore, said agreements shall likewise be immediately terminated/cancelled if the holders thereof engage in logging activities in any natural or residual forest or abet the commission of the same;
- 2.4 The DENR shall strictly implement a forest certification system in accordance with the United Nations standard/guidelines to ascertain the sustainability of legal sources and chain of custody of timber and wood products, nationwide;
- 2.5 The DENR shall close and not allow to operate all sawmills, veneer plants and other wood processing plants that are unable to present proof of sustainable sources of legally cut logs for a period of at least five (5) years within one month from effectivity of this Executive Order;
- 2.6 The DENR, through the DA-DENR-DAR Convergence Initiative, shall develop a National Greening Program

(NGP) in cooperation with the Department of Education (DepEd) and the Commission on Higher Education (CHED) to initiate the educational drive campaign; the Department of Interior and Local Government (DILG) to help in establishing communal tree farms for firewood and other purposes; the Department of Social Welfare and Development (DSWD) to identify the upland farmers covered by the NGP as priority beneficiaries of the conditional cash transfer program; the Department of Budget and Management (DBM) to provide the funds for the production of quality seedlings for the NGP from available funds of the government; and the private sector and other concerned agencies/institutions to raise funds and resources for tree planting.

- 2.7 The Department of Education shall be given priority in the use of all confiscated logs.

Section 3. Creation of the Anti-Illegal Logging Task Force.

To enforce the moratorium and lead the anti-illegal logging campaign, an Anti-Illegal Logging Task Force is hereby created. The Task Force shall be composed of the DENR Secretary or his duly authorized representative as Chairman and the Secretary of the Department of the Interior and Local Government, the Secretary of the Department of National Defense, the Chief of the Philippine National Police, the Chief of Staff of the Armed Forces of the Philippines or their respective authorized representatives as members.

- 3.1 Mandate. The Task Force is hereby mandated to take the lead in the anti-illegal logging campaign and ensure the implementation of this Executive Order under the supervision of the DENR. It shall also assist the DENR in the enforcement of other environmental laws.
- 3.2 Support from Government Offices and Agencies. The Task Force may call upon the support of any department, bureau and office of the executive branch to assist in the discharge of its functions, such as but not limited to the provision of administrative or technical assistance, logistical support and detail of personnel. The DENR shall provide the secretariat for the Task Force.

Section 5. Implementing Guidelines – Upon its formation, the Task Force shall immediately formulate the guidelines for the implementation of the policies set forth in this Executive Order.



PHILIPPINE WOOD PRODUCERS ASSOCIATION

PWPA's Official Statement on Executive Order No. 23 - Logging Moratorium in Natural & Residual Forests

We, the members of the Philippine Wood Producers Association, on behalf of the wood and allied industries, issue this official statement in response to the recently signed Executive Order No. 23 – Nationwide Logging Moratorium.

We believe that a moratorium on timber harvesting in natural and residual forests will directly penalize the legitimate companies in the wood industries who have been zealously protecting and conducting sustainable practices in managing the country's remaining natural forest areas for decades. The said moratorium will also have severe consequences on the wood-using downstream industries.

Thus,

1. We appeal to the President to re-consider the imposition of a moratorium as we believe a moratorium will result in long-term negative repercussions as it will seriously affect the businesses of legitimate members of the wood-using and -dependent industries such as construction industry and furniture manufacturing industry.
2. We agree that we should all be evaluated immediately and those found in violation of not following the rules and regulations of the government be suspended or terminated in their operation.
3. We hope the President will reconsider the position of the legitimate members of the wood industry who have been practicing sustainable forest management and allow to honor the contracts that they entered into with the government.
4. We seek audience with the President so that we may present at length that plantation forests alone will not sustain the wood requirements of the country and to show how legitimate members of our industry have been able to successfully practice sustainable forestry management.

We are one with the government in curbing illegal logging and we should all seek a long-term solution to it through sustainable programs and measures that will ultimately stop illegal logging practices in the country.

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PWPA Pays Tribute to Late Chairman Emeritus AG Bernas



Atty. Tony Bernas

Last January 15, 2011, PWPA officers and board of directors trooped to Brgy. Bambang, Taguig City to plant trees as a tribute to the late Atty. Antonio Guevara Bernas, PWPA Chairman Emeritus. It would have been his 77th birthday the following day.

Atty. Bernas, or Tony, joined the newly-formed Philippine Wood Producers Association (PWPA) in 1981. But even before joining the PWPA as its Executive Secretary and Legal Counsel, he has long been familiar with the wood industry, having been with the companies of the D. M. Consunji Group, particularly those involved in logging, plantation development, and wood processing.

Tony had a big-hand in the incorporation of the newly-organized PWPA and in the charting of its policy and program directions amidst the birth pains inherent of a new organization and the uncertainties then brought on by the implementation of the Martial Law's new forestry decree (the Presi-

dential Decree No. 705 of 1975).

Tony's dedication, sacrifices and leadership did not escape the keen notice of the officers and members of PWPA. Thus, in 1987 he was elected as its President. This was a precedent for in the history of the wood industry, venerable, renown, and politically-connected company owners used to head, either as chairman or president, the wood industry associations.

dence by his mere presence in the Board.

More than a lawyer, Tony was a man of the forest and the wood industry. He had the forest and forestry, the wood industry, and the PWPA deep in his heart.

The trees planted that day would be PWPA's living tribute to the memory of Tony Bernas.



Mrs. Baby Bernas, together with her sons and the PWPA directors and staff, plants a tree for husband Tony Bernas.

From 1981 up to his untimely demise late last year (November 22, 2010), Tony had been with the PWPA for close to 30 years and as its President and/or Chairman uninterruptedly for 15 years. In 2002, he was unanimously elevated as the PWPA's Chairman Emeritus and a few years before his death, was concurrently an elected director of the Board. PWPA drew from his expertise and counsel and infused confi-

Questions to Ponder

QTP 1: Is there a legitimate logging company - or PWPA member-operating or harvesting from the forests in Bulacan, Nueva Ecija, Rizal, Southern Tagalog, Cebu, Bohol, and Leyte where the President saw massive floods?

ANSWER: No PWPA logging companies operate in these provinces.

QTP 2: What is the material that is used from cradle to grave?

ANSWER: Wood. From the baby's crib to the bed of its mother to the casket at the end of its life, wood is ever-present and needed.

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Five months after the tree planting activity, the seedlings have grown and are part of the landscape of DMCI Housing in Taguig. DMCI continues to maintain the seedlings.

China Plywood Flood Local Market

The surge of alleged illegal imported plywood from China was among the recent market developments that the Philippine Wood Producers Association (PWPA) called the attention of the Department of Trade and Industries (DTI).

Per trade information about 300 40' container loads were reportedly brought into the country last April while an estimated 400 to 500 containers are projected to arrive last May.

Plywood is covered by mandatory standards and local manufacturers are subject to Bureau of Products Standards (BPS) monitoring, with local plywood required to be marked with the PS label. On the other hand, imports are required to obtain ICC (import commodity clearance) from DTI. Industry verification with BPS, however, revealed that almost all of the imports have not declared their products as such, nor complied with the ICC rules.

Chinese plywood are 5-ply and of 4.5mm thickness but usually misrepresented and sold as 5mm thickness. They have external veneers that are unacceptably thin, usually no thicker than 0.25 mm. These panels are also not sanded and are rough, because they cannot bear sanding –

the thin veneers will be sanded away. The glue used in these plywood has high formaldehyde emissions that also pose as a health hazard to consumers and builders as well as construction workers.

Most if not all of the imports reportedly have not paid the right taxes as the goods are either misdeclared, or worse, smuggled outright into the country. It has become common industry knowledge that container vans of plywood are being withdrawn from the international ports for a “fixed fee”, depriving our government of taxes and duties in the amount of about PhP 60M for 400 container vans. Also, an estimated 16 local workers lose their job per container van released. Through these “savings”, the imports unfairly compete and undercut the prices of local plywood manufacturers.

The PWPA sought the assistance of DTI to carry out a more active market monitoring program. A monitoring team was created and during its rounds of hardware stores in Batangas, in Cavite and in Pangasinan the team found unmarked plywood which means the items did not go through DTI-BPS for Import Commodity Clearance (ICC) issuance.

PWPA Bats to Re-open 27 NCR Sawmills

PWPA met with DENR-NCR last April 8, 2011, together with other wood group representatives to discuss the possible reopening of 27 sawmills in the National Capital Region so the mills may operate until their respective permits expire.

The sawmills are PWPA members that stopped operating, as the mill owners failed to prove they possess a five-year inventory of legally cut timber as prescribed in EO 23.

It is the position of PWPA that the EO should apply only to companies seeking new permits, and those that are renewing. Other sawmills that continued to operate have since shortened their work week to cut on overhead costs.

At present, out of the 27 wood processing plants (WPPs) at NCR which closed down immediately after the EO 23, there are still 15 WPPs that are not yet operating because of the 5-year raw material supply requirement. PWPA continues to coordinate with the DENR on the matter.

PWPA Participates in NLBI Workshop

The Philippine Wood Producers Association joined in the two-day workshop on the Non-Legally Binding Instrument (NLBI) last May 11-12, 2011, at Cloud 9 Resort, Antipolo City.

The workshop aimed to review and update stakeholders on the NLBI goals, objectives, outcomes and the work plan of implementation of the forest instrument (FI) in the Philippines.

The NLBI, piloted in Ghana, will now be extended to the Philippines,

Liberia and Nicaragua. As part of its 2011 Program, NLBI awareness raising and stakeholders' workshops; inventory and assessment of NLBI initiatives and priorities of stakeholders; regional NLBI stakeholders' workshops; and a NLBI national workshop to validate the findings and priorities from the regional workshops will be conducted this year.

There are also FMB NLBI initiatives such as assisting Congress to enact SFM/SFEM and national land

use bills; updating and climate-proofing the Master Plan; piloting national forest certification; and backstopping the National Greening Program.

During the workshop, working groups were organized to handle a) policy; b) participation and financing, products and services; and c) knowledge systems assessment and prioritization of where the Philippines stands; and d) action taken in relation to the Philippines' 25 NLBI national policies and measures.

PWPA Requests Extension of Deadline to Transport and Process

The Philippine Wood Producers Association wrote DENR Secretary Ramon Paje in his capacity as chairman of the Anti-Illegal Logging Task Force (AILTF) to request an extension in the deadline to transport and process the logs cut from the natural/residual forests prior to the promulgation of EO No. 23. The deadline was last May 21, 2011.

Some members were able to haul and transport hardwood logs from the forests which provided them some raw material inventory to process for the market, and which have also somewhat sustained a modest level of employment for their workers, in light of the uncertainty of lifting EO No. 23 in the near future.

However, with the 90-day period prescribed in the AILTF Resolution No. 2011-001 and reckoned from February

21, 2011 expiring last May 21, 2011, the PWPA requested for an extension to transport and process the hardwood logs cut prior to EO No. 23, for at least two months beyond the period of three months as cited earlier.

The reasons cited by PWPA for its request were:

- The DENR instruction to inventory the hardwood logs was handed down only on March 14, 2011, after which, it took some time for the DENR inventory team to be organized and for the inventory processes and clearances to be drawn up with some of the clearances issued only in April 2011;
- The necessary hauling and transporting equipment, brought down consonant with DENR Memo No. 52 dated February 8, 2011, had to be brought up again which was tedious

and time consuming. Further, some companies had to recall forest workers they had laid-off earlier to do the hauling and transporting;

- Continuous heavy rains during the prescribed period stalled if not slowed down the transport of the hardwood logs from the forests down to the log pond/mills. It also took some time to repair to serviceability the logging roads used; and
- The shipment of the inventory from provincial ports to Manila mills was affected by the difficulty in contracting vessels due to shortage of bottoms that will carry it. In addition, some of the voyages were delayed by typhoons.

At present, there was no action on the request but was informally advised to seek the approval of the President.

PWPA Supports Earth Day 2011

PWPA once again joined in marking Earth Day last April 24, 2011, at the Quezon Memorial Circle, Quezon City. This year's theme was "Earth Day, Every Day", a reminder that everyone can do something daily to help preserve, conserve and save our planet Earth.

Quezon City Mayor Herbert Bautista and Earth Day Network Philippines Chair & President Bebet Gozun formally opened the day's program the highlights of which included educational talks and presentations by the various participating organizations.

Egg hunting, egg painting and an on-the-spot-painting contest were the other activities of the day.

The PWPA booth displayed tarpaulins that outlined PWPA's profile, vision and mission, and activities, particularly CSR, as well as over-



Over 20 organizations participate in the whole-day 2011 Earth Day activity that coincides with Easter Sunday.

views on the role of forests and the uses of wood. CDs with information on forests, trees and wood, book-marks, and tree seedlings were raffled off to visitors of PWPA's booth. All the participating booths offered free organic food to share.

More than 20 organizations joined this year's Earth Day celebration.

**"Make Every Day,
Earth Day"**



PWPA Joins EU FLEGT Action Plan Seminar

The Philippine Wood Producers Association (PWPA) joined the European Union (EU) Forest Land Enforcement, Government and Trade (FLEGT) Action Plane Seminar last May 11, 2011, at the Legend Villas Hotel, Mandaluyong City.

Mr. Matthieu Penot, EU attaché for Environment, Energy and Climate Change, underscored the new EU Timber Regulation on legality and traceability of timber products, to be implemented by 2013. He said the regulation aims to guarantee only timber that respects existing regulations will be traded, and that illegal logging is stopped. He pointed out that logging is an important sector that provides livelihood to a wide range of actors in the timber supply chain. But he also added that when done illegally it could be a threat to the environment and security of communities.

Ms. Aimee Lee Abdullah, Policy

Analyst of European Forest Institute's FLEGT Program, presented the results of a market study where it showed the Philippines had a negligible share (less than 1% by value) in timber imported to the EU from SE Asia, and which value continues to decline. She said the new timber regulation will affect the country in that while it imports from neighboring countries it can re-process these imports and export them to EU.

Mr. Vincent van den Berk, FLEGT Program Coordinator, said the EU FLEGT action plan is a result of the 2001 East Asia Bali FLEG Declaration, a response to pressure for EU to stop acting as a market for illegally harvested timber. The 2003 FLEGT action plan covered sustainable forest management, good governance and transparency with a mix of supply and demand side activities.

He said there are two ways to participate: through bilateral negotiation of FLEGT Voluntary Partnership

Agreements (VPA) with the EU and through private sector initiatives where the criteria is still being worked out.

VPA is a legally binding international treaty and among Asian countries in advance negotiations are Indonesia and Malaysia while formal negotiations are underway with the likes of Vietnam, Laos, Thailand, among others.

Van den Berk also said VPA between EU and the Philippines may not be the most obvious way forward, hence Mr. Penot suggested that a round table discussion with the private sector (PWPA and CFIP) be held to discuss ideas on the private sector's way of participation.

For more details on the key discussions of the EU FLEGT Action Plan, please contact the PWPA Secretariat at 8176751 or email Deputy Executive Director Maila R. Vasquez at mrvasquez@pwpa.org.ph.

USAID Meets with PWPA

The U.S. Agency for International Development (USAID) Philippines, represented by Development Assistance Specialist Oliver Agoncillo together with a mission team from the United States Government (USG) Forest and Agriculture Services led by Climate Change Program Specialist Dana Moore, met with PWPA regarding a scoping study to identify areas where US partnership can be beneficial to all key stakeholders in supporting country-developed Low Emission Development Strategies (LEDS).

The USG launched a climate change initiative called Enhancing Capacity for Low Emission Development Strategy (EC-LEDS), as part of its commitment to the Copenhagen Agreement to mobilize fast-start financing. Through this initiative, the USG is offering to provide assistance and specialized expertise to support

countries in their development efforts and implementation of low emission development and green growth strategies.

During the meeting, the team inquired on the possible participation of PWPA in the various programs of the government specifically on the National Greening Program (NGP) and the REDD+. They also asked how EO No. 23 has impacted on the operations of the members of the Association. President Antonio Olizon said that PWPA has been very supportive of the programs of the government. However, in terms of the NGP and REDD+, it has had very limited participation but the Association is very much interested in participating.

To the question on what would be the key factor for sustainable forest management to succeed, Director Aris-teo Puyat said there should be stability

of policies. He also added that there should be an honest-to-goodness effort from the government to implement these policies and programs.

EVP Alfonso Keh, Jr. said that the Philippines was a major wood exporter in the early '60s but is now an importer because of the changing policies of the government and the lack of assurance that what you plant today, you can harvest in the future. He also said that there is a pervasive social problem in the country which has become a disincentive to those who want to establish plantations.

PWPA suggested to the team that after their study, they may want to submit their recommendations to the government as it seems the responsible legitimate wood industry has been left out in the dark and has been lumped with those doing illegal activities.

PWPA Attends Launch of NGP

Questions to Ponder



President Noynoy says NGP is a response to the dwindling forest cover in the country.

To manifest PWPA's top-level support to DENR's centerpiece program, PWPA Chairman Fernando A. Lu together with Directors Aristeo G. Puyat, Ramon Y. Uy, Robert W. Kua, Executive Director Leonardo D. Angeles, and Deputy ED Maila R. Vasquez attended the launch of the National Greening

Program (NGP) last May 13, 2011 at the DENR Social Hall in Quezon City, President Noynoy Aquino III was special guest and keynote speaker of the affair. He said that the greening initiative is a response to the dwindling forest cover in the country. He said that 50 percent of the trees planted in five years time will be for sustainable management of forests while the other half is for crop industry and for food supply.

The launch proper featured an audio-visual

presentation that depicted the state of Philippine forests, the cause and effects of their denudation, and the rationale for the NGP. DENR Sec Ramon Paje provided an overview of the program's key components.

The launch also became the venue to recognize DENR and non-DENR personnel who died in line of duty and in pursuit of full service to the country. President Noynoy handed out plaques of recognition to the wives and scholarships to the children of the awardees.

The day's program ended with President Noynoy planting a narra tree at the DENR Heroes Park.

... From page 6

QTP 3: Who will maintain in the next three years the seeds that are planted? Unless cared for, these seedlings will just die -- eaten by goats, cows or carabaos or outgrown by wild grass or talahib.

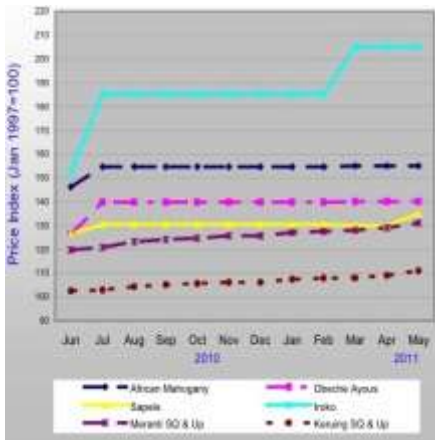
QTP 4: Would soft wood species from plantation forests suffice in the manufacture of chairs, tables and other furniture needing hardwood?

QTP 5: Could the government agencies really protect the residual/ production forests now being maintained/ protected by legitimate IFMA holders when these agencies could not even adequately protect our critical watersheds from illegal timber poachers?

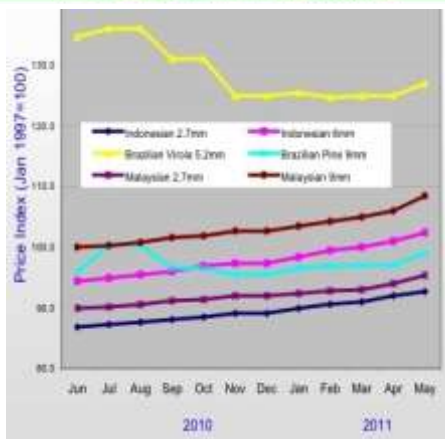
PONDER YOUR ANSWERS AS WELL.

Snapshot of the Tropical Timber Market

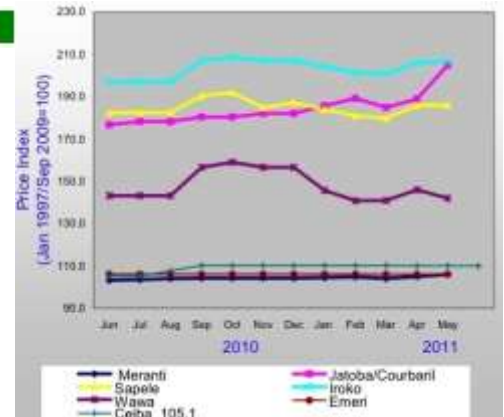
Tropical Log Price Trends



Tropical Plywood Price Trends



Tropical Sawwood Price Trends



These graphs highlight the prices of logs and wood products.

Source: Tropical Timber Market Report, Volume 16 Number 10, May 16-31, 2011

Note: Figures refer to international prices.

Average Plywood and Substitute Prices Survey in NCR

	Before (May 9, 2011)	Now (June 15, 2011)		Before (May 9, 2011)	Now (June 15, 2011)
	(in Pesos/piece)			(in Pesos/piece)	
3mm (1/8) plywood	250	250	18 mm (3/4) plyboard	983	988
4 mm (3/16) plywood	339	339	1/8 lawanit	215	215
5 mm (1/4) plywood ordinary	372	373	3/16 lawanit	285	285
5 mm (1/4) plywood marine	410	412	1/4 Hardiflex	438	438
10 mm (1/2) plywood	658	653	1/2 Gypsum Board	406	406
18 mm (3/4) plywood ordinary	1038	1043			

Note: all pick-up prices inclusive of VAT retail prices

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